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Evaluation of city tourism competitiveness

Akvile Cibinskiene[a,]*, Gabriele Snieskiene[b]

[a,b]*Kaunas University of Technology, K. Donelaičio g. 73, Kaunas 44239, Lithuania*

Abstract

The main purpose of the paper is to carry out the evaluation of city tourism competitiveness. Seeking to achieve the goal of the paper the methods of qualitative and quantitative analysis were used, including expert evaluation.
The main factors for the evaluation of city tourism competitiveness were selected following the logic of the conceptual model of city tourism competitiveness. The importance of internal and external environment factors was estimated in form of weight coefficients through the analysis of expert evaluation results. According to the expert assessment results external and internal environment factors have almost the same importance. Most important factors of external environment affecting city tourism competitiveness are: status of resort, state's monetary policy, education system. Internal environment factors such as travel agencies, theater, zoo are most important. For the further evaluation the quantitative measures of the analyzed city tourism competitiveness factors should be chosen in order to calculate the city tourism competitiveness index.

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Keywords: Tourism; Urban tourism; Competitiveness; Destination competitiveness; Urban competitiveness; City tourism competitiveness.

Introduction

Travel and tourism are important part of service economy. According to the data of World Tourism Organization and World travel and tourism council in 2013, Travel & Tourism's total contribution to the global economy rose to 9.5% of global GDP (US $7 trillion), not only outpacing the wider economy, but also growing faster than other significant sectors such as financial and business services, transport and manufacturing. In total, nearly 266 million jobs were supported by Travel & Tourism in 2013. Tourism sector is important for Lithuanian economy, because country has no minerals and therefore it's manufacturing results are not very high.

* Akvile Cibinskiene Tel.: +370 37 323729
E-mail address: akvile.cibinskiene@ktu.lt

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Various territorial units (countries, cities, regions, etc.) compete attracting incoming tourists. This reason encourages to study, evaluate and compare competitiveness of appropriate territories. The experts of United Nations state, that by now half the world's population lives in cities. Cities are recognized as major "economic engine" of global economy: here is economic and social capital concentrated, they are important centers of economic, scientific-technological and cultural progress of human. Cities compete with each other for investment, for new technologies, for financial support from European Union and other sources, as well as for incomes, which can be earned from tourists.

The theoretical contribution. Scientist (Go and Govers, 2000, Wahab, 2001, Hassan, 2000, Crouch and Ritchie, 1999, Enright, Newton, 2004, Yoon and Uysal, 2005, Dwyer and Kim, 2003, Navickas, Malakauskaite, 2009, Das, Dirienzo, 2012, Jackman, Lorde, Lowe, Alleyne, Antonio, 2011) who have analyzed the tourism destination competitiveness confirmed its importance and emphasized that it is related to the well-being of local people. Tourism destination competitiveness is associated with the area's ability to provide goods and services to tourists better than others do.

Authors analyzing urban competitiveness (Bovaird, 1993, Chesihre, Kresl, 1992, Lever, 1993, Meijer, 1993, Cheshire, Gordon, 1998, Sinkiene, 2008, Paliulis, Činčikaitė, 2011, Bruneckienė, Guzavičius, Činčikaitė, 2010, Kresl, Singh, 2012) emphasize that cities are competing to attract investment, population, labor, funds, tourists and so on. Thus, the city's competitiveness includes the conditions that make it attractive not only to entrepreneurs wishing to invest, incoming tourists or residents, but also for existing residents and businesses.

City tourism competitiveness reflects the ability of the city to highlight its attractiveness for tourists, provide goods and services for tourists better than other cities do. Conceptual tourism city competitiveness model (Čibinskiene, 2012) covers the factors of internal and external environment. In order to evaluate the city's tourism competitiveness, it is necessary to distinguish competitiveness factors of external and internal environment and evaluate their impact to the city tourism competitiveness, estimating their weight coefficients.

Research question: how to evaluate city tourism competitiveness?

Purpose. The main purpose of the paper is to carry out the evaluation of city tourism competitiveness.

Methodology. For the research to be conducted the methods of qualitative and quantitative analysis are used, including expert evaluation.

1. City tourism competitiveness model

City tourism competitiveness evaluation is carried out on the basis of the conceptual model of city tourism competitiveness (Čibinskienė, 2012). This model represents that city tourism competitiveness is formed by factors of internal environment, which are influenced by external environment factors. Factors of internal environment, in other words microenvironment are described by Labanauskaite (2008) as personified phenomenon. It is underlined that every business subject creates it's own microenvironment. Factors of this environment can be more or less controlled. External environment emerges because of direct actions of institutions, regulating activities of economic subjects, as well as influenced by natural processes, therefore external environment is not personified. Such division of environments explains, that internal environment can be controlled, changed, etc., contrarily external environment is not changeable in short terms and needs to be evaluated in order to adapt business to it. In the conceptual model of city tourism competitiveness internal environment, influenced by external environment forms city tourism competitiveness.

2. Factors of city tourism competitiveness

For the evaluation following factors of internal and external environments are chosen (fig.1.). When we analyze city tourism, we realize, that it is influenced by external environment factors, such as political and legal, economic, social – cultural, ecological and natural and technological factors. These factors describe national business environment which is more or less the same for all kinds of business, so it is hardly changeable in terms of the city. In order to evaluate external environment of city tourism competitiveness, sub factors of external environment were distinguished (fig. 1.), paying attention to their importance for tourism business sector. In fig.1. there is no technological factors as factors of external environment, because they represent some sub factors of internal

environment and can be more or less controlled in a particular city. Factor groups and subgroups of internal environment are listed in fig. 1.

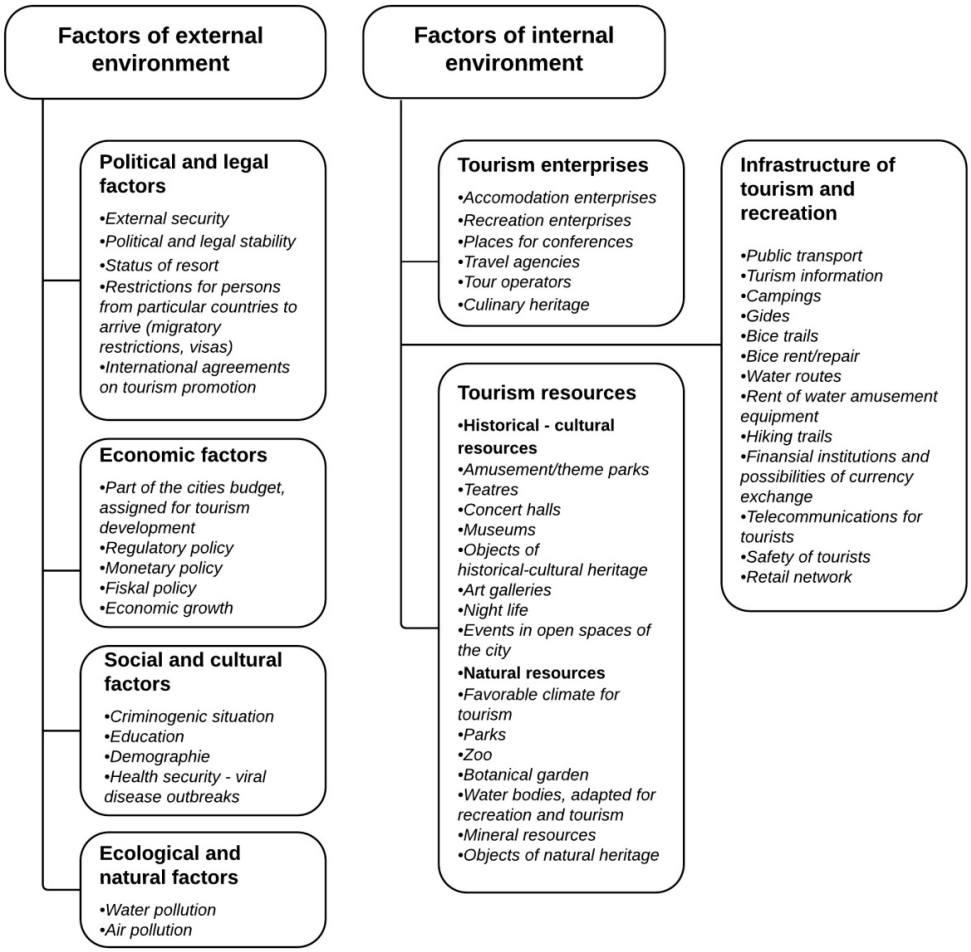

Fig. 1 Factors of city tourism internal and external environment

3. Expert evaluation of external and internal environment factors impact on city tourism competitiveness

The city tourism competitiveness, according to conceptual model of city tourism competitiveness and factors of internal and external environment (fig.1) can be calculated as an index. In order to calculate city tourism competitiveness index, the weight coefficients of all internal and external environment factors as well as their groups and internal and external environment in general should be determined. There is no quantitative measures to determine these weight coefficients, so the method of expert evaluation was chosen. In the opinion of Kardelis (2005) the inquiry of specially selected people possessing knowledge of a certain sphere allows to achieve the scientific objectivity. The authors of this paper support the opinion that the level of conformity established by the experts' assessment allows to reduce the risk of subjectivity.

The empirical analysis of identification of the main factors which makes the biggest influence on city tourism competitiveness was done by analyzing 18 expert opinions, which were calculated by the statistical average method. All experts involved had experience in tourism. Their qualification and practical experience allowed to treat them as

experts of evaluation of impact of internal and external environment factors on city tourism competitiveness (see Table 1).

Table 1. Distribution of experts by work experience.

Experts' work experience	< 1 year	1 to 3 years	3 to 5 years	5 to 10 year	>10 years
Number of experts	0	3	6	5	4

The expert assessment involved representatives of science from Lithuanian higher education institutions, Lithuanian city's municipalities, Lithuanian Tourism Association, tourism business.

The basis of the questionnaire was the classification of internal and external factors as presented in fig. 1. The questionnaire was prepared and the experts were interrogated by using an individual interview or by sending link to the on-line questionnaire. The survey was done in April, 2015.

The reliability of the questionnaire (inner consistency of the questionnaire) was evaluated using the Cronbach alpha coefficient. The Cronbach alpha coefficient of the questionnaire used in the expert assessment is equal to 0,956, thus proving the excellent reliability of the questionnaire.

The coincidence of opinions of experts participating in the inquiry was evaluated by Kenall's coefficient of concordance (Kenall's W), at the same time examining the hypothesis on its value equality to zero. The chosen level of the value α = 0,05. The hypothesis on its value equality to zero was rejected when the observed p-meaning was less than 0,05. Based on the calculated Kendall's W test results, the experts' opinions statistically reliably coincided quiet in unison. Kenall's W value was calculated for the entire questions is 0,445 and value sign 0,000 showing that opinions of the experts are coincide and reliable.

The weight coefficients of internal and external environment components having effect on city tourism competitiveness are identified by the statistical average method according to the formula:

$$weight \quad coefficient = \frac{\overline{s}_i}{\sum_{i=1}^{m} \overline{s}} \tag{1}$$

where, $\overline{s}_i$ - statistical average, $\sum_{i=1}^{m} \overline{s}$ - sum of statistical averages, i-factors of city tourism competitiveness.

The analysis of experts' opinions proved the assumption that different components of internal and external environment make different impact on city tourism competitiveness (see Table 2).

Table 2.The weight coefficients on internal and external environment factors, according to the expert evaluation.

Factors of city tourism competitiveness	Weight coefficients	Factors of city tourism competitiveness	Weight coefficients
External environment factors	**0,45**	*Concert halls*	0,12
Political and legal factors	***0,24***	*Museums*	0,11
Political and legal stability	0,15	*Art galleries*	0,15
External security	0,13	*Objects of historical – cultural heritage*	0,11
Status of resort	0,31	*Amusement/theme parks*	0,12
International agreements on tourism promotion	0,18	*Night life*	0,13
Restrictions for persons from particular countries to arrive (migratory restrictions, visas)	0,23	*Events in open spaces of the city*	0,12
Economic factors	***0,21***	Natural resources	0,53
Economic growth	0,17	*Favorable climate for tourism*	0,09
Fiscal policy	0,24	*Parks*	0,14
Monetary policy	0,25	*Zoo*	0,19
Regulatory policy	0,20	*Botanical garden*	0,18
Part of the city's budget, assigned for tourism development	0,14	*Water bodies, adapted for recreation and tourism*	0,13

Social and cultural factors	***0,19***	*Mineral resources*	0,16
Education	0,30	*Objects of natural heritage*	0,11
Demography	0,28	***Infrastructure of tourism and recreation***	***0,33***
Criminogenic situation	0,20	Accessibility	0,03
Health security – viral disease outbreaks	0,22	Transport	0,06
Ecological and natural factors	***0,21***	Public transport	0,06
Water pollution	0,52	Tourism information	0,04
Air pollution	0,48	Camping's	0,07
Internal environment factors	**0,55**	Guides	0,06
Tourism enterprises	***0,37***	Bike trails	0,06
Accommodation enterprises	0,16	Bike rent/repair	0,08
Recreation enterprises	0,15	Water routes	0,06
Places for conferences	0,16	Rent of water amusement equipment	0,07
Travel agencies	0,22	Hiking trails	0,06
Tour operators	0,16	Medical services for tourists	0,08
Culinary heritage	0,15	Financial institutions and possibilities of currency exchange	0,08
Tourism resources	***0,30***	Telecommunications for tourists	0,07
Historical-cultural resources	0,47	Safety of tourist	0,04
Theatres	0,14	Retail network	0,08

Calculated weight coefficients show that importance of internal and external factor groups are very similar: weight coefficient of external environment is 0,45, internal environments weight coefficient is 0,55. Analyzing groups of external environment we see that there is no big difference in their weight coefficients. Most important external environment factor group is political and legal factors with the weight coefficient 0,24 and less important – social and cultural factors with the weight coefficient 0,19. In the group of political and legal factors the most important factors according to their weight coefficients are: status of resort - 0,31 and restrictions to arrive - 0,23. In the group of economic factors the most important factors according to their weight coefficients are: monetary policy - 0,25 and fiscal policy - 0,24. In the group of social and cultural factors the most important factors according to their weight coefficients are: education -0,3 and demography - 0,28.

Tourism enterprises play a major role in the group of internal environment factors– weight coefficient 0,37, then infrastructure of tourism and recreation with the weight coefficient 0,33. Under the tourism enterprises factors we can exclude travel agencies as a most important factor with the weight coefficient 0,22. Factors inside the group of infrastructure of tourism and recreation are weighted very similar and their weight coefficients vary from 0,03 to 0,08, surprisingly showing the lowest importance of accessibility. The importance of natural and historical-cultural resources is evaluated quiet equally and it proves that these both groups of factors are equally important for city tourism competitiveness. In the group of historical and cultural resources the most important factors according to their weight coefficients are: art galleries (0,15) and theatres (0,14). In the group of natural resources the most important factors according to their weight coefficients are: zoo (0,19) and botanical garden (0,18).

Conclusions

Conceptual city tourism competitiveness model is the basis for evaluation of city tourism competitiveness. It represents the external and internal environment factors, underlining that external environment factors have an impact on internal environment factors and both form the conditions for city tourism competitiveness. External environment factors groups are: political and legal, economic, social – cultural, ecological and natural and technological factors. Internal environment factors groups are: tourism enterprises, tourism resources and infrastructure of tourism and recreation.

Expert evaluation was conducted in order to determine weight coefficients of city tourism competitiveness factors. Expert evaluation shows that importance of external and internal environments to the city tourism competitiveness is almost equal – weight coefficients respectively 0,45 and 0,55.

In the group of external environment factors the most important group is group of political and legal factors, with the weight coefficient 0,24. The highest weight coefficient of political and legal factors is 0,31 and it underlines importance of resort status for the city tourism competitiveness. Most important economic factors are monetary policy (weight coefficient 0,25) and fiscal policy (weight coefficient 0,24). In the group of social and cultural factors the most important factors are education (weight coefficient 0,30) and demography (weight coefficient 0,28).

In the group of internal environment factors the most important group is tourism enterprises with the weight coefficient 0,37. Second important group in the internal environment is infrastructure of tourism and recreation (weight coefficient 0,33). In the group of factors representing tourism enterprises factors the highest importance shows travel agencies. Factors inside the group of infrastructure of tourism and recreation are weighted very similar and their weight coefficients vary from 0,03 to 0,08, surprisingly showing the lowest importance of accessibility. In the subgroup historical and cultural resources the most important factors are theatres (weight coefficient 0,14) and art galleries with the weight coefficient of 0,15. In the subgroup of natural resources the factors zoo (weight coefficient 0,19) and botanical garden (weight coefficient 0,18) are of the most importance.

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